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SUBJECT: AMBASSADOR VISITS PORT OF HODEIDA AND THE HISTORIC  
CITY OF ZABID

REF: SANAA 647

11. Summary. On April 4, Ambassador visited the Red Sea port of Hodeida, located in the governorate of the same name, for meetings with local officials and to tour a USDA-funded hospital project. During a meeting with the Governor, Ambassador discussed USG development assistance and the importance of encouraging private investment to stimulate economic growth. Ambassador also toured a new wing of a hospital constructed using USDA Food Aid funds. Lastly, Ambassador visited the historic city of Zabid, a UNESCO World Heritage site, to view efforts to restore the city and promote tourism. End Summary.

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Governor: Lots of People, Little Infrastructure  
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12. Hodeida Governor Mohamed Saleh Shamlan thanked the Ambassador for USG development assistance within the region, especially for USDA-funded projects in health and infrastructure. Shamlan hoped that construction would soon begin for a \$40 million new port facility, supported with \$2.5 million from USDA Food Aid, but noted that the ROYG did not have enough funding to complete the large project. Ambassador stressed the need to seek support from other donors, including the World Bank, as well as using national funds to construct a new port and processing facilities for Hodeida's underdeveloped fishing industry. Ambassador also encouraged Shamlan to attract private investment to fuel much needed economic growth.

13. Shamlan explained that his governorate faces many difficulties in providing adequate services and infrastructure to an expanding population. Hodeida, now the second biggest governorate with approximately two million people, received a large influx of residents during the first Gulf War, after almost a million Yemeni guest workers were expelled from Gulf countries because of President Saleh's support for Saddam Hussein. "There was very poor planning," explained Shamlan, to cope with the returnees. He expressed hope that the situation was improving, noting that the Cabinet had approved additional funds for infrastructure improvements in the most impoverished areas of Hodeida. (NOTE: Hodeida will host this year's national day celebrations in May. As the chosen city, Hodeida received an infusion of cash from the central government for infrastructure development, which is unlikely to continue next year when another city will be chosen to host the festivities. End Note).

14. Ambassador informed Shamlan that Admiral Richard Hunt would soon be assuming command of the Combined Joint Task Force - Horn of Africa (CJTF-HOA) based in Djibouti and looked forward to visiting Hodeida and the Yemeni Navy's headquarters. Shamlan welcomed a visit by Admiral Hunt at any time. He also expressed satisfaction with cooperation between the Yemeni Coast Guard and Yemeni Navy, including

protection of the Safir oil export terminal located off the Hodeida coast. Shamlan looked forward to any support CJTF-HOA could provide to build the capacity of Yemen's armed forces.

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Salakhana Mother and Child Hospital  
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¶15. Ambassador toured the Salakhana Mother and Child Hospital, including the \$333,000 extension completed in September 2005 with USDA Food Aid funds. The 200 bed hospital, located in a poor area that absorbed many of the Gulf returnees, serves approximately 60,000 Hodeida residents. Dr. Tawfiq Thabi, Hospital Director, explained that the extension was not fully operational due to a lack of equipment, but expected the remaining equipment to be delivered by July thanks to a \$900,000 grant from the Dutch Embassy.

¶16. Dr. Thabi said that Hodeida's large youth population places a great strain on the health care system, especially with the outbreak of polio in April 2005. (Note: The first polio cases of last year's outbreak were discovered in Hodeida. While the rate of infection has slowed, World Health Organization experts estimate that it will take four to five years to make Yemen polio-free. Another national immunization drive is scheduled for May. End Note).

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Zabid: Once Great Capital, Now in Disrepair  
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¶17. Ambassador also visited the nearby historic city of Zabid, a UNESCO World Heritage site. Once renowned for its unique architecture, the city is now in a serious state of disrepair. Around 40 percent of the historic buildings have been replaced with modern concrete structures and most of the remaining historic buildings are in poor condition. In 2000, UNESCO listed Zabid on its list of World Heritage sites in danger. Several donors, including the Japanese, Germans, and UNDP are funding projects to improve the city's infrastructure and restore buildings, but the city still desperately needs more assistance before it can serve as a viable tourist destination. (Note: Post has nominated several restoration projects in Zabid for the 2006 Ambassador's Fund for Cultural Preservation grants. End Note).

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Comment  
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¶18. Hodeida shares the same problems with most of Yemen's governorates - a rapidly expanding population and insufficient infrastructure to provide its residents adequate services, especially in health and education. Hodeida has little authority to raise its own funds and must therefore rely on disbursements from the central government. While the new Minister of Finance (reftel) appears supportive of transferring more fiscal authority to local governments, the governorates must also do more to attract private investment to raise revenues and encourage much needed economic growth.

Krajeski